

Week Ending Friday, September 22, 1995

**Remarks to Representatives of
Senior Citizens Organizations**

September 15, 1995

Thank you very much. I'm delighted to see all of you. I'm glad to see you with your buttons and your—apparently, with your spirits intact. That's good. [*Laughter*]

As all of you know, we're having this huge debate in Washington today about the future of this country. I want to try to put this struggle over Medicare and Medicaid into some kind of proper context so that you can take it not only to the Members of Congress and to your own members but out to the American people at large.

There is an enormous consensus in our country, with which I agree, that we ought to pass a budget this time that will bring our books into balance by a date certain. I agree with that. We got into a bad habit, this country did, before I showed up here, in the eighties and the early nineties, of running a permanent deficit, not to invest, to grow the economy, to create jobs, but just because every year we preferred to spend more money than we were taking in. And it wasn't good for the country. We're on the verge of paying more in interest next year than we pay for defense, for example. And every year we keep doing that, we spend more and more on interest, and we have less and less to spend on everything else.

But why do we wish to do that? What are the values implicit in that choice? We do it because we want to free our children and our grandchildren from the burden of unnecessary debt. We do it because we don't want to have a country where the Government is taking all the money and the money will be free to be borrowed by private businesses to create jobs and to grow the economy. We do it because we think morally we'll be a stronger country if we don't just borrow money for the sake of borrowing it.

But our objectives will be undermined if we forget about the other obligations we have. That's why I've said, you know, we ought to balance the budget, but why would we cut education and thereby hurt the economy and hurt the future of the very children we're trying to help? Why would we undermine our ability to protect the environment and public health and thereby erode the very quality of life we say we're strengthening by balancing the budget?

And the same thing is true here. We have historically recognized significant obligations to the health care of people who are entitled to be taken care of through the Medicare program or, through no fault of their own, have to be given some assistance. It's a part of who we are; it's a part of what kind of country we are.

And that's what this fight over Medicare and Medicaid is all about. What are our obligations to each other? How are we going to fulfill them? This is a compact between the generations, a compact we have honored now for three decades. It has made America a stronger, better, more humane place. It has made family life more secure not only for seniors, not only for Americans with disabilities, but for their family members, their hard-working family members who knew that they got a little help so that they could all fulfill their responsibilities. These are the values I would argue that we want to advance as we try to balance the budget. We don't want to undermine them. We want to do this in a way that will bring the American people together, not tear the American people apart. That is what I am working to do here.

It is truly ironic that this whole Medicare fight is being played out against the background of the trouble that the Trust Fund is in. Where did you hear that first? From me, right? And in 1993 and 1994, when I said the Medicare Trust Fund is in trouble, we have to do something to lengthen its life, we have to do the responsible thing and keep

it strong, and I proposed solutions to keep it strong, some of those who are for cutting Medicare \$270,000 billion today said that I was raising a red herring, that it wasn't really in trouble, and why were we even worried about this. How quickly they forget.

But, thanks to the responsible people in the Congress in the last 2 years, we extended the life of the Medicare Trust Fund by 3 years. And in my balanced budget proposal, we extend the life of the Medicare Trust Fund by more than a decade from this day forward, making it in better shape than it's been in 9 of the last 15 years. That is what we have proposed to do and to do it without imposing new costs on seniors.

Now, the congressional Republicans have outlined their plan to balance the budget, which includes a \$270 billion Medicare cut—3 times the size of any previous cut—and a \$180 billion Medicaid cut. Together that's nearly half a trillion dollars taken out of the health care system over the next 7 years. I doubt seriously that the health care system can afford that. And that, again, affects all of us, not just people on Medicare, not just people on Medicaid. Almost half a trillion dollars.

Their plan would increase premiums and other costs for senior citizens. It would reduce doctor choice. It would force many doctors to stop serving seniors altogether. It threatens to put rural hospitals and urban hospitals out of business. Brick by brick, it would dismantle Medicare as we know it.

Now, here's the point. If all this were necessary, really necessary to save Medicare, maybe we'd all be willing to do it. But it isn't. And that is the point that has been missing from all this public debate, the point I tried so hard to make yesterday, the point you know but, I have to tell you, most of your fellow Americans, even members of your various groups who are on Medicare, do not know: The proposed reductions in the congressional or Republican congressional plan in Medicare spending on providers do go into the Trust Fund; the proposed increased costs on seniors do not go into the Trust Fund, as a matter of law.

So all this conversation we have heard about saving the Trust Fund—give them their due, when they're talking about holding

back money from Part A to the hospitals and the doctors, they're telling the truth; that will go into the Trust Fund. But the extra cost to seniors, by law, will not go into the Trust Fund. You know it, and I know it, and everyone in America should know it. Every nickel that will be taken from the seniors will go into the General Fund where it will be used to carry out this 7-year plan, which includes a very large tax cut. So this is a plan to take more from people on Medicare, three-quarters of whom live on less than \$24,000 a year, and put it into a tax cut, more than half of which will go to Americans who plainly don't need it.

Now that has to be driven home. That is a fact. And it is a fact I almost never hear discussed. This is not about saving the Trust Fund. If we were really about to see the Trust Fund go broke and there were no other options, we would all be saying, "Let's get in a room and roll up our sleeves and figure out what it is we have to do to save the best of this program," wouldn't we? Every one of us would be; none of you would be here raising sand about that. And you'd also want to say to the hospitals, "We want to keep you open," to the doctors, "We want to keep you going. We don't want to bankrupt anybody. Let's see how we can have a fair plan of shared sacrifice."

But by law, the money coming out of the seniors does not go to that Trust Fund. And it is a grave disservice to the American people not to just tell everybody that, not to say, "Hey, we'd like to fix the Trust Fund, and here's what the providers are going to have to sacrifice." Then you could look at the President's plan and their plan and you could compare. I think my plan asks about all of the providers they can come up with, and it adds 10 years to the life of the Trust Fund. Unless we can dramatically lower medical inflation, I think it asks about all we can right now. But it's good that it adds a long time to the Trust Fund.

But the money we're asking for from seniors—not us, but the congressional Republican plan—the money they ask for from the seniors won't go into that Trust Fund. And no one must be allowed to believe that it does. This is going into the balanced budget plan to pay for the tax cut.

I am also for a tax cut. I believe we ought to help working families raise their children and educate themselves and their children and give tax reductions for those purposes. But I do not favor funding them by raising the price of Medicare on the poorest elderly people when, as all of you know, the average senior citizen today is paying the same percentage of his or her income for health care in 1995 that they were paying in 1965 before Medicare came in. So it isn't true to say the seniors of this country haven't done their part to try to keep Medicare going. We've seen increased costs with inflation.

So I ask you to hammer this point home. This should not be a debate between things that the seniors and the disabled people of this country can't afford to pay and a system we can't afford to let go broke. That is not the choice. You know it; I know it. America must know it before these decisions are made. Fine, let's save the Trust Fund. We're going to do it. I've been working on it for 2½ years. We've made it better. But let us not pretend for a moment that it is necessary to do what is being done either to balance the budget or to save the Trust Fund. These fees on seniors are going up to meet that particular plan with that very large tax cut. And everyone must know that.

A lot of these most painful cuts have been hidden altogether. In this congressional plan, deep within the fine print of the Medicare plan are cuts to be revealed later. What is it called—automatic look-back. *[Laughter]* We've all done that once or twice in one or two ways.

Now, think about this: What about the Medicaid program? You hardly hear anything about Medicaid. People say, "Oh, that's that welfare program." One-third of Medicaid does go to help poor women and their poor children on Medicaid. Over two-thirds of it goes to the elderly and the disabled. All of you know that as well. America must know that. If we reduce projected Medicaid spending by \$180 billion and if States were to follow through with across-the-board cuts, our best estimates are that by the year 2000, there would be 300,000 people who would be either removed from or not be able to get into nursing homes and 4 million poor children who would not have access to medi-

cal care. Hundreds of thousands of families would have a much harder time caring for a member of their family in their home or helping their family members in some other way.

This is very important. If you don't do it across the board—you say, oh, we're going to take care of the people in nursing homes, the seniors—that's even more disabled people who are cut off. That's even more seniors in their homes who aren't helped. That's even more children who are in the streets without any health care. This is not a free ride.

Do we need to lower the rate of inflation in Medicaid? You bet we do. I proposed a plan to do that. It doesn't reduce spending by near as much as theirs does because I don't know that we can do that. I honestly believe these things are going to happen. And we need to consider the consequences of them. I don't want to do something that could close our rural and urban hospitals, that could make the lives of poor children even more difficult, that could be terrible for not only the disabled and the elderly who would be affected by it but for all their family members. You think about how many middle class working people are not going to be able to save to send their kids to college because now they'll have to be taking care of their parents who would have been eligible for public assistance.

I am not saying that we shouldn't balance the budget and that we don't have to slow the rate of increase. But look at the proposals we made in this administration. We made sensible, disciplined proposals that won't be easy to meet, but can be met and are directly related to saving the Medicare Trust Fund and to bringing the cost inflation down in health care and to balancing the budget, without asking the seniors of this country to pay for a tax cut for people who don't need it or where the size of it is too big.

And I'm telling you, you can have the right kind of tax cut, you can have a healthy Medicare Trust Fund, you can have reductions in cost inflation in Medicare and Medicaid, without these Draconian consequences. That's what you have to tell the American people. If these were the only choices, it'd be tough enough. But this is an easy choice

once you know the alternatives. If these health care cuts come to my desk, of this size, I would have no choice but to veto it. [Applause]

But let me say this: What always, always becomes the news every day is what the new fight is, what the new conflict is. We ought to be here to build a bridge. I can't believe anyone would willingly, willingly damage the seniors of this country, the Americans with disabilities, the children of this country as much as I believe this proposal will damage them, especially to pay for a tax cut that is too large, when we can have a targeted tax cut for education and child-rearing for middle class families without doing any of this, when we can balance the budget without doing any of this, when we can save the Medicare Trust Fund without doing any of this.

So I ask you to—I'm glad you cheered and I'm glad you clapped, but there is a bridge to be built here. We can get all Americans on the solution side of this problem. We can get Republicans and Democrats on the solution side of this problem. It is not too late. We have a few weeks here. But first, the American people must know the facts. So I implore you—most of you know so much about this you just assume other people do, too. And it is a very powerful thing to tell an average American working family that deeply believes in this country that we've got to do what it takes to save Medicare. That's a powerful thing. Well, we do. But this is not what it takes to save Medicare, this proposal that we're opposed to.

So I ask you, stand up for what you believe. Fight for what you believe. Know that I'll be there for you if it comes to crunch time. And if I have to use the veto pen, I will. But go out there and build a bridge. Start it with the facts, the evidence, the truth. Ask people to come to grips with the truth. And ask them what our obligations are to one another. Ask them why we're balancing the budget and don't we have to balance the budget consistent with our desire for strong families, for honoring the people who have made this country what it is today, and for building a better future for our children, whether they're rich or poor.

That, I think, ought to be the message. If so, we'll wind up building that bridge and making this country stronger.

Thank you, and God bless you all.

NOTE. The President spoke at 3:41 p.m. in Room 450 of the Old Executive Office Building. This item was not received in time for publication in the appropriate issue.

Executive Order 12971— Amendment to Executive Order No. 12425

September 15, 1995

By the authority vested in me as President by the Constitution and the laws of the United States of America, and in order to extend the appropriate privileges, exemptions, and immunities upon the International Criminal Police Organization ("INTERPOL") it is hereby ordered that Executive Order No. 12425 be amended by deleting, in the first sentence, the words "the portions of Section 2(d) and" and the words "relating to customs duties and federal internal-revenue importation taxes".

William J. Clinton

The White House,
September 15, 1995.

[Filed with the Office of the Federal Register, 11:28 a.m., September 18, 1995]

NOTE: This Executive order was released by the Office of the Press Secretary on September 16, and it was published in the *Federal Register* on September 19.

Proclamation 6824—National Rehabilitation Week, 1995

September 15, 1995

*By the President of the United States
of America*

A Proclamation

National Rehabilitation Week offers us a unique opportunity each year to measure our progress on the long road to creating a totally accessible society in America. This year, as we also mark the 5th anniversary of the